

Message Text

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ACTION DOE-15

INFO OCT-01 EA-10 ISO-00 ACDA-12 CIAE-00 INR-10 IO-13
L-03 NSAE-00 NSC-05 EB-08 NRC-05 OES-07 SOE-02
DODE-00 SS-15 SP-02 CEQ-01 DOEE-00 NSCE-00 COME-00
INRE-00 SSO-00 PM-05 /114 W
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FM AMEMBASSY TOKYO
TO SECSTATE WASHDC IMMEDIATE 8565

C O N F I D E N T I A L SECTION 01 OF 02 TOKYO 10311

E.O. 11652: GDS
TAGS: TECH, ENRG, JA
SUBJECT: KANSAI ELECTRIC POWER COMPANY REQUEST TO
TRANSFER IRRADIATED FUEL TO FRANCE

REF: STATE 136668

1. ON JUNE 6 SCICOUNS CALLED ON HIROSHI OHTA, DIRECTOR, SCIENTIFIC AFFAIRS DIVISION, UN BUREAU, MOFA, TO REVIEW STATUS OF KEPCO'S REQUEST TO TRANSFER SPENT FUEL TO COGEMA. IT WAS CLEAR FROM PRELIMINARY PART OF CONVERSATION THAT OHTA HAD NOT FOLLOWED UP ON MATTER AFTER DAS NOSENZO'S DISCUSSION WITH HIM IN TOKYO. OHTA MADE THREE INITIAL POINTS: (A) SUBJECT OF MB-10 ISSUANCES WAS TO BE DISCUSSED SUBSTANTIVELY AT USG/GOJ MEETING SCHEDULED FOR JUNE 7 IN WASHINGTON AT WHICH GAMUT OF BILATERAL NUCLEAR ISSUES WOULD BE REVIEWED; (B) GOJ HAD NOT BEEN PREVIOUSLY INVOLVED OFFICIALLY IN KEPCO FUEL TRANSFER PROBLEM ALTHOUGH MANY INFORMAL DISCUSSIONS WITH USG HAD BEEN HELD ON SUBJECT; (C) YAMAMOTO OF MITI WOULD BE TAKING LEAD IN WASHINGTON MEETING ON MB-10 DISCUSSIONS AND YAMAMOTO WAS ABOUT TO LEAVE FOR US.

2. EMOBFF THEN RESORTED TO REVIEW OF ENTIRE MATTER, USING
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REFTEL FOR GUIDANCE AND STRESSING THAT USG WAS LOOKING FOR ONE YEAR DELAY IN TRANSFER OF KEPCO FUEL. PROPOSAL SUGGESTED PREVIOUSLY BY NOSENZO HAD NOT BEEN GIVEN FURTHER CONSIDERATION, JUDGING FROM OHTA'S REMARKS, SO EMOBFF SUGGESTED ANOTHER ALTERNATIVE: SINCE ONLY REASON FOR KANSAI TO SHIP FUEL SOON WOULD BE TO AVOID FINANCIAL PENALTIES OR CONTRACT DEFAULT ASSOCIATED WITH THE

DELIVERY, AND SINCE AN ELEMENT OF "FORCE MAJEUR" WAS INVOLVED, IT WOULD APPEAR THAT KEPCO COULD IN GOOD FAITH GO TO COGEMA AND ASK FOR RELIEF FROM THE CONTRACT CONDITION. EMBOFF REMINDED OHTA THAT WHEN JAPANESE UTILITIES WERE UNABLE TO DELIVER URANIUM FEED TO DOE ENRICHMENT PLANTS ON SCHEDULE STIPULATED BY ENRICHMENT CONTRACTS BECAUSE OF URANIUM EXPORT EMBARGO IMPOSED BY CANADA, USG
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WAIVED IMPOSITION OF PENALTIES FOR LATE DELIVERY. OHTA SEEMED INTERESTED IN PROPOSITION, ALTHOUGH HE PERHAPS MAY HAVE RECALLED THAT THERE IS NO OFFICIAL FORCE MAJEUR CLAUSE IN CURRENT CONTRACT WITH COGEMA AND HE IS INTELLIGENT ENOUGH TO REALIZE THAT USG HAS NOT TAKEN OFFICIAL ACTION TO STATE ITS INTENTION TO REJECT OR TO ACTUALLY REJECT MB-10 APPLICATION.

3. THERE WAS NO TIME AVAILABLE TO TALK TO YAMAMOTO DIRECTLY BEFORE HIS DEPARTURE, BUT SINCE MB-10 ISSUE WILL BE DISCUSSED AT WASHINGTON MEETING, HIS VIEWS CAN BE OBTAINED THERE.

4. COMMENT: OVER PAST YEAR OR MORE EMBASSY HAS REPORTED ITS VIEWS ON JAPANESE SPENT FUEL STORAGE ON NUMBER OF OCCASIONS THROUGH CABLES AND PERSONAL CONVERSATIONS WITH DEPT. OFFICIALS. WE BELIEVE THAT CASE AS STATED BY KANSAI
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ELECTRIC CONCERNING POSITION OF PREFECTURAL AND LOCAL GOVERNMENTS IS ESSENTIALLY CORRECT. AT ONE TIME WE THOUGHT THAT GOJ WOULD MOVE TOWARD ESTABLISHMENT OF CENTRAL SPENT FUEL STORAGE FACILITY TO RELIEVE UTILITIES, BUT THIS IDEA APPEARED TO BOG DOWN FOR AT LEAST FOUR REASONS: (A) ELEMENTS IN GOJ WANTED TO CO-LOCATE STORAGE FACILITY WITH PROPOSED COMMERCIAL-SIZE REPROCESSING PLANT FOR OBVIOUS REASONS, AND CONSTRUCTION OF STORAGE FACILITY WOULD PREMATURELY REVEAL SITE FOR REPROCESSING PLANT BEFORE ESTABLISHMENT OF PUBLIC CONSENSUS (PARTICULARLY IN LOCALITY OF PLANT) IN FAVOR OF THIS MOVE; (B) OTHER ELEMENTS OF GOJ WERE FAVORING PACIFIC ISLAND STORAGE SITE TO BE BUILT IN COOPERATION WITH USG, BUT DISCUSSIONS ON THIS CONCEPT WITH US WERE NOT RAISED TO OFFICIAL LEVEL UNTIL ONLY RECENTLY; (C) ANNOUNCEMENT IN OCTOBER 1977 BY US THAT IT WOULD CONSIDER TAKING BACK FOREIGN SPENT FUEL FOR STORAGE UNDER CERTAIN CONDITIONS OPENED UP ANOTHER AVENUE WHICH REQUIRED CAREFUL THOUGHT; (D) THERE ARE CERTAINLY SOME PEOPLE IN GOJ AND INDUSTRY WHO BELIEVE THAT ANY JAPANESE MOVE TO EXPAND SPENT FUEL STORAGE TO THE EXTENT THAT COMMERCIAL-SCALE REPROCESSING IN JAPAN WOULD NOT BE REQUIRED FOR MANY YEARS WOULD CONSTITUTE DE FACTO ACCESSION TO US POSITION ON

AVOIDANCE OF REPROCESSING AND WOULD THEREBY THREATEN FULL
COMMITMENT TO PLUTONIUM-BASED FAST BREEDER ECONOMY.

5. PREFECTURAL GOVERNMENTS AND LOCAL INHABITANTS ARE VERY
MUCH LIKE STATE GOVERNMENTS AND POPULATION GROUPS IN US ADJAC
ADJACENT TO NUCLEAR POWER PLANT SITES. THEY ARE IN FAVOR OF
NUCLEAR POWER IN PRINCIPLE BUT WISH THAT THE PLANTS WERE
LOCATED IN SOMEONE ELSE'S BACKYARD, ALTHOUGH THEY OF COURSE
WISH TO CONTINUE TO ENJOY THE BENEFITS OF THE POWER
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C O N F I D E N T I A L SECTION 02 OF 02 TOKYO 10311

PRODUCED. EACH CHANGE IN PLANNING FOR CONSTRUCTION OR
MODIFICATION OF NUCLEAR POWER PLANTS REQUIRES THAT UTILITIES
GO TO GREAT LENGTHS TO PERSUADE LOCAL GOVERNMENTS THAT
CHANGES ARE FOR PUBLIC GOOD AND WILL NOT CONSTITUTE
INCREASED RISK. PREFECTURAL GOVERNMENTS WERE TOLD BY
UTILITIES THAT SIGNING OF COGEMA AND BNFL REPROCESSING
CONTRACTS WERE EVIDENCE OF GOOD FAITH OF UTILITIES TO MOVE
SPENT FUEL EXPEDITIOUSLY OUT OF REACTOR STORAGE TO SOME
OTHER PLACE. TO THE PREFECTURES, "OUT OF SIGHT, OUT OF
MIND" WAS A PERFECTLY GOOD PHILOSOPHY TO FOLLOW. THE
USG WAS ON RECORD EARLY ON THAT SIGNING OF CONTRACTS BY
UTILITIES FOR REPROCESSING SERVICES DID NOT CONSTITUTE
APPROVAL BY USG FOR ULTIMATE RETRANSFERS AND WE WERE
INFORMED BY GOJ IN RESPONSE THAT UTILITIES WERE WILLING
TO TAKE RISK OF USG DISAPPROVAL OF RETRANSFERS IN
ORDER TO KEEP REACTORS RUNNING FOR INTERIM PERIOD.

6. ONE OF THE DIFFICULTIES THAT WE FACE IN ANALYZING THIS
COMPLEX SITUATION IS THAT WE DO NOT KNOW FROM FIRST-
HAND EXPERIENCE THE LEVEL OF KNOWLEDGE AND SOPHISTICATION

THAT EXISTS AMONG ANTI-NUCLEAR AND ENVIRONMENTAL GROUPS
IN VICINITY OF NUCLEAR POWER PLANTS. FOR EXAMPLE, WE DO
NOT KNOW IF THEY HAVE BEEN INFORMED THAT TAKAHAMA STORAGE
POOL WAS RE-RACKED AND HENCE CAPACITY INCREASED. OUR GUESS
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--AND IT IS JUST THAT-- IS THAT LOCAL GOVERNMENT WAS MADE
AWARE OF CHANGE BUT THAT PUBLIC DOES NOT KNOW ABOUT THIS
DETAIL. IF SHIPMENT OF SPENT FUEL IS NOT AUTHORIZED BY
US, IT MIGHT COME OUT THAT SINCE POOL NOW HAS ADDITIONAL
CAPACITY, SHIPMENT WAS REQUESTED BY KEPCO ONLY TO MEET
CONTRACTUAL COMMITMENT AND NOT BECAUSE IT HAD RUN OUT OF
SPACE. THIS POSSIBILITY ALONE COULD LEAD TO TROUBLES FOR
THE UTILITY.

7. THUS OUR GENERAL IMPRESSION IS THAT KANSAI ELECTRIC
DOES FACE VERY UNFAVORABLE REACTION FROM LOCAL OPPOSITION
GROUPS AND PERHAPS FROM GOVERNMENTS IF SHIPMENTS ARE
NOT MADE. WHETHER OPPOSITION WOULD BE EFFECTIVE ENOUGH
TO SHUT DOWN TAKAHAMA REACTORS OR STOP CONSTRUCTION OF
ADDITIONAL REACTORS IS PROBLEMATIC; WE DON'T SEE HOW
THIS CAN BE PREDICTED IN ADVANCE. HOWEVER, WE CAN BE QUITE
CERTAIN THAT THE US WILL BE HELD UP AS THE CULPRIT
BY THE UTILITY, WHO WILL CLAIM THAT IT DID EVERYTHING IN
ITS POWER TO MOVE OUT THE FUEL--ONLY TO BE REPULSED BY THE
US FOR REASONS THAT HAVE NOTHING DIRECTLY TO DO WITH JAPAN
OR KEPCO. AS IS WELL KNOWN TO DEPT, JAPAN DOES NOT PUT
ITSELF INTO CATEGORY OF POTENTIAL PROLIFERATORS AND DOES
NOT UNDERSTAND WHY THE US FINDS IT NECESSARY TO USE JAPAN
AS LEADING EDGE OF DEMONSTRATION OF CHANGED US POLICY;

THEREFORE POSITIVE POLITICAL SIGNIFICANCE OF DEFERRING
SPENT FUEL SHIPMENT IS LOST ON MOST JAPANESE. MANSFIELD

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